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PUBLIC SERVICE COMMISSION

NOTICE TO CUSTOMERS OF LOUISVILLE GAS AND ELECTRIC COMPANY

PLEASE TAKE NOTICE that on July 29, 2008, Louisville Gas and Electric Company filed with the Kentucky Public Service Commission a request for an adjustment of its electric and gas rates and charges to become effective on and after September 1, 2008.

Louisville Gas and Electric Company proposes the following new electric tariffs and/or charges: Retail Transmission Service Rate TRS, Temporary and/or Seasonal Electric Service Ride TS, Meter Pulse Charge, and Meter Processing Charge; and the following new gas tariffs and/or charges: Distribution Generation Gas Service Rate DGGS.

In addition, Louisville Gas and Electric Company proposes to change the text of the following electric tariffs: Residential Rate RS, Volunteer Fire Department Rate VFD, General Service Rate GS, Large Commercial Rate LC, Large Commercial Time-of-Day Rate LC-TOD, Large Power Industrial Service Rate LP, Large Power Industrial Service Time-of-Day Rate LP-TOD, Large Industrial Time-of-Day Service Rate LI-TOD, Small Time-of-Day Service Rate STOD, Lighting Service Rate LS, Curtailable Service Rate CR3, Non-metering Service Rate NMS, Express Facilities Rate EF, Supplemental Standby Service Rider, Fuel Adjustment Clause FAC, Demand Side Management Cost Recovery Mechanism DSM, and Environmental Cost Recovery Surcharge ECR.

In addition to the foregoing proposed changes in rates and text, LG&E is proposing numerous changes in the terms and conditions of providing electric and gas service to its customers. These changes include but are not limited to, the scope, availability of service, and rate structure for each of the rate schedule classes identified above. These changes also include numerous substantive, form or both changes to the terms and conditions for providing services to every customer class. These changes, if approved, may, among other changes, cause certain customers presently served under the General Service, Small Time-of-Day Service, and Public Lighting classes to be assigned to a more appropriate rate schedule. These changes, if approved, may also result in a change in the quality and quantity of service provided to certain customers. These changes are being made for the following reasons: (1) to reflect the changing characteristics, nature, and quantity of service provided to certain customers; and (2) to reflect the changing characteristics, nature, and quantity of service provided to certain customers.

Louisville Gas and Electric Company proposes to change the text of the following gas tariffs: Residential Gas Service Rate RGS, Volunteer Fire Department Rate VFD, Firm Commercial Gas Service Rate CGS, Firm Industrial Gas Service Rate IGS, Curtailable Gas Service Rate AAGS, Gas Transportation Service, Standby Rate TRS, Fuel Adjustment Clause (FAC), Express Facilities Rate EF, and Side Management Cost Recovery Mechanism DSM, and the Terms and Conditions.

With this filing, LG&E proposes to require bills to be paid within ten (10) days from the date of the bill. The Late Payment Charge, however, will not be applied if the bill is paid more than five (5) days after the bill due date as is the current practice. The Late Payment Charge will be 2% of a bill's net charges (including net minimum bill when applicable) for the following electric rate schedules: Rate RS, Rate VFD, and Rate GS; and for the following gas rate schedules: Rate RGS, Rate VFD, Rate CGS, and Rate IGS. The Late Payment Charge will be 1% of a bill's net charges (including net minimum bills when applicable) for the following electric rate schedules: Rate TRS, Rate LP, Rate LP-TOD, Rate LI-TOD, Rate STOD, Rate LS, and Rate CR3; and for the following gas rate schedule: Rate AAGS.

Copies of the proposed tariffs containing text changes may be obtained by contacting Lonnie E. Bell at Louisville Gas and Electric Company, P. O. Box 2270, Louisville, Kentucky, 502-227-4300.

The foregoing rates reflect a proposed annual increase in electric revenues of approximately 1.9% and gas revenues of approximately 4.5% to Louisville Gas and Electric Company.

The estimated amount of the annual increase, or decrease, per electric customer class is as follows: Residential: \$13,673,296, 4.47%; General Service: \$228,601, 0.20%; Large Commercial: \$0, 0%; Small Time-of-Day Service: \$333,201, 6.20%; Large Commercial Time of Day: \$0, 0%; Industrial: \$0, 0%; Lighting: \$6,817, 4.5%.

IF YOU GUYS DO YOUR JOB THE RIGHT WAY, YOU'LL TURN LG&E DOWN. THESE CHANGES ARE CHARGING TOO MUCH NOW, IT'S TIME THAT THEY SUCKED IN THEIR BUT AND ABSORBED SOME OF OUR COSTS THEMSELVES INSTEAD OF ALWAYS ASKING FOR MORE MONEY.



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